

## ABSTRACT

An on-line market-place includes an auction wherein one or more predefined terms, qualities, incentives, or other such indicia (generally, "Program Terms") are associated with the particular product and/or service which is the subject of the auction. Customers rank or otherwise designate their preference for the these Program Terms (e.g., by selecting a "Preferred Program Term"), and the system then partitions the customers into "pools" in accordance with the selected Program Terms. Merchants then compete to obtain that pool of customers by bidding on the Preferred Program Term. Customers may be pooled according to demographic or other customer characteristics ("Characteristic Pooling"), or according to level of commitment to purchase ("Commitment Pooling").

In one embodiment, customers who would otherwise be partitioned into different pools are grouped in the same pool, and changes to a first Preferred Program Term associated with a first customer automatically causes a bid of equivalent value to be made to a second Preferred Program Term associated with a second customer. In another embodiment, "ghost pools" are used select preferred merchants for particular auctions. In yet another embodiment, an electronic marketplace is provided wherein Program Terms can be highly tailored by the purchaser immediately.